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AZ CORP COMMISSION
DOCKET CONTROL

285
Jim West
Direct Line
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jimwest@365coronado.com

November 19, 2007

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007-2927

Re: Response to Staff Report dated November 9, 2007 – Thunderbird Meadows
(Docket Nos. W-02065A-07-0312, W-02065A-07-0307 & W-02065A-07-0306)
W-02065A-07-0312

Please accept the following as Wilhoit Water Company's response to the Staff Report dated November 9, 2007.

1. Rate Case –
The company does not agree with the analysis compiled by Staff that results in a recommendation of a 4.89 percent increase in rates.
2. Financing -
The company does not agree with Staff on the denial of requested refinancing of \$10,000 in existing debt.

Staff recommends a loan in the amount of approximately \$100,000 to locate and put a new water source into service be authorized and an infrastructure surcharge be approved to finance this debt. We do not believe that \$100,000 will be sufficient to purchase land, engineer the well and associated piping, dig the well, purchase and install required pumps, enhance storage capacity, and connect the well to the existing system. We believe the amount authorized should be approximately \$150,000.

Arizona Corporation Commission
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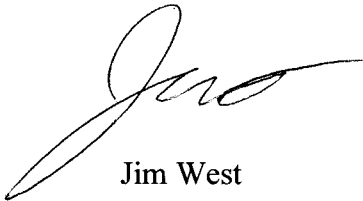
365 East Coronado
Suite 200
Phoenix, AZ 85004
602.230.0066
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3. Plant in Service –

Staff recommended an adjustment of \$15,072 for a well dug in 2006 that will be coming on-line in the next couple of months. That well is a small producer, but will provide more than 85,000 gallons per month, which will enhance the company's ability to serve its customers.

Staff also recommends disallowing the remaining \$30,000 (this number should be \$15,000) for a well that was put into service in 1997 that could not be documented with invoices. The subject well has been in service since 1997 and was physically observed by Staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim West", with a stylized, flowing script.

Jim West